

2006 STATE OF THE CITY

**“LONG BEACH:
An Historic Past, a Dynamic Future”**

MAYOR BEVERLY O’NEILL

**City of Long Beach
California**

January 10, 2006



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OPENING

Good afternoon everyone, and welcome to my 12th State of the City address. Thank you for being here; not just today, but also for the eleven previous speeches. Once again I want to thank Randy Gordon and his terrific staff for putting on these luncheons.

I can hardly believe that I have already delivered eleven State of the City presentations. It seems like just a little while ago that I stood in front of about 700 of you at the Hilton, and talked about the good things that were occurring in Long Beach—and there wasn't much to discuss.

We had lost the Navy, suffered through aerospace downsizing, a troubled economy and we were faced with 50,000 lost jobs and an economic loss of more than two billion dollars. I still talked too long. Fortunately, the more recent speeches have had more substance.

As this year's president of the U.S. Conference of Mayors I have worked with Tom Cochran, Executive Director, who is here today and have come face to face with the current challenges facing some of our cities. As president I traveled to Louisiana, Alabama and Mississippi with other officials and saw firsthand the Katrina destruction of property and lives and their immediate needs for just survival.

It was a sight I shall never forget. It also reinforced for me the vital role that mayors play in the daily life of the cities. It was the mayors of cities large and small who immediately reacted to the tragedy and were ready to send aid.

The fact is that the mayors were again the first responders and were not waiting for policy direction from state or federal officials to deliver assistance.

During the six months that I have served as president, my theme has been Cities for a Strong America.

Strength of Cities

We have had summits in Albuquerque, Denver, Long Beach and Washington D.C. on issues vital to cities and to draw attention to their importance to the national economy, and to reinforce the idea that investment in our cities is an investment in America. We cannot have a strong nation without strong cities.

For example, our latest Metro Economy Data shows that

- In 2003, U.S. Metro areas generated 84% of the nation's employment 88.6% of the nation's labor income (\$4.5 trillion), and 85.4% of the nation's Gross Domestic Product (\$9.4 trillion).
- If U.S. Metros were nations, 48 of the world's top 100 economies would be U.S. Metro areas.
- The L.A.-Long Beach Metro economy is the second largest metro economy in the nation in 2003, and the 18th largest in the world. We outranked Switzerland, Belgium, and Taiwan.

- And between 1993 and 2003, U.S. Metro Economies contributed more than 90%, or over \$3.9 trillion of the growth in the nation's economy.

Long Beach is the 32nd largest city in the United States—larger than Cleveland, Atlanta, Miami, Minneapolis and Pittsburgh. In my travels, Long Beach is consistently spoken of in positive terms. When 35 mayors were here in September for the US Conference of Mayors leadership meeting, our city got glowing reviews.

The mayor of Las Vegas, Oscar Goodman, was impressed with our changing landscape and couldn't believe all of the construction and development he saw, and the renewed vibrancy in our downtown. The Mayor from Akron, Ohio, Don Plusquellic, had lunch at Gladstone's and liked it so much he stayed through dinner.

Changes

Time has changed Long Beach during the past eleven years, some areas more than others. Our community will never be what it had been for many, many years. The dramatic changes didn't happen accidentally. They are the result of planning

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and implementation that began back in the 1990s—back when Long Beach was forced to make decisions regarding its future.

No community I know of has matched our remarkable changeover from what we had been for most of the 20th century to what we have become for the 21st century—a dynamic coastal community, strategically located for business growth and becoming a tourism destination of choice throughout Southern California.

The loss of the Navy and the aerospace downsizing forced this transformation. Urban Land magazine in its September issue stated that Long Beach has risen from the ashes of economic blight and has redirected its destiny and is emerging as a culturally rich urban community with a solid economic future.

We have more retail choices now than ever before, more residential living spaces, schools we can be proud of, parks, libraries, more restaurants, more concern for the environment, and one of the most transparent budget processes in California. We are a community to live in, work in and raise a family in that is better poised for the

future than most communities and we're getting better.

Long Beach City officials were aware of the important decisions we needed to make in the 1990s, and I thank them for their vision. In the last 12 years I have worked with 22 council members, and they all made tough decisions and took risks that were designed to take us in a different direction.

The results of those decisions are all around us as you drive throughout the downtown and in the revitalized areas throughout the city. And we relied on our City employees. They are one of the most dedicated and committed workforce groups you'll ever find.

The new development is evident as you drive by Towne Center, Wrigley Marketplace, Los Altos Market Center, Towne Square, Marina Pacifica, Los Altos Gateway, the Market Place, Marina Shores and Bixby Knolls Shopping Center.

Long Beach will continue to change. Cities that don't accept the fact that change is necessary are doomed to house empty storefronts, empty streets and neighborhoods

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littered with trash. In the words of Charles Handy, “Communities, like all humankind, need to develop and grow or they die.” Long Beach is still developing.

Urban Revitalization

Nationally, there are many reasons to be bullish on America's cities. Cities are new, and they are reinventing themselves. They are the new place to do business, the new place to invest, and the new place to own a home. New city residents are new consumers, who add vitality, energy and economic vigor to an urban core. Recent trends support these findings.

And nowhere is this more evident than here in Long Beach. Am I bullish on Long Beach? You bet I am. Author Richard Florida, who wrote [The Rise of the Creative Class](#) and Joel Kotkin, the nationally known authority on global, economic and social trends, the author of [The City: A Global History](#), agree on the direction of Long Beach. They don't agree on much. But they both agree on the positive changes in our city.

What we are creating now is a community that for the most part hasn't existed before in

American cities. When William Fulton, author and urban planner, spoke at the annual DLBA State of the Downtown, he reminded us that in the good old days, urban centers were filled during the day. People worked and shopped downtown and at five o'clock they all went home because businesses and stores closed. With very few exceptions, people didn't live downtown.

Urban centers were relatively quiet and didn't nearly have the energy that is occurring now in Long Beach. Fulton also stated that to most urban planners, the word urban means being able to walk from your residence to many of your daily chores, to restaurants and to entertainment venues.

He refers to this as urban walkability and we are an example of it. Not only with new residential units becoming available downtown close to museums, restaurants and live entertainment, but also with our innovative Long Beach Transit providing easy accessibility to other parts of the community. It sounds to me like he is describing Long Beach—the new Long Beach, the Long Beach that is becoming a model for other communities.

Decade of Growth

Let me just list a few of the reasons why I feel we should be proud of the progress we've made and why we should all be optimistic about our future:

- Since 1994 --Sales tax revenue has grown 96%
- Transit Occupancy Tax has tripled
- Assessed Property Valuation is up 60%
- The number of Construction Permits is up 52% and Construction Valuation has tripled to \$295 million.
- Secured property taxes have increased 35%
- In the past decade we have added or refurbished more than 2 million square feet of retail space with additional retail venues under development. Retailers have been added in 12 different retail locations throughout the city.
- Since 1995, Long Beach has successfully completed four Navy re-use plans completing adaptive re-use for 700-acres.
- A total of 859 \$2,000 start-up grants have been awarded to small businesses.
- The Economic Development Bureau has provided 256 loans totaling more than twenty million dollars to area businesses.
- The Long Beach Enterprise Zone program has issued over 15,000 vouchers, each representing a job for an economically disadvantaged individual, while saving Long Beach businesses more than

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\$250 million on their
State income taxes.

770 miles of
neighborhood streets

- We've added 25% more sworn police officers and completed two public safety facilities in the west and north divisions. This is in addition to the new state-of-the-art Emergency Communications and Operations Center on Redondo.
- By 2010 there will be more than 5,000 additional living spaces downtown, bringing in more than 10,000 new fulltime residents.
- Throughout the City we have repaired more than 3 million square feet of sidewalks, curbs and gutters, and more than
- In Central Long Beach, we've added Atlantic Villas, new town home units for first time homebuyers and Renaissance Walk, with 50 new town homes and a childcare facility.
- In the north section of Atlantic Avenue, in addition to a new police substation, we have successful businesses such as Trader Joe's, Orchard Supply Hardware and a new location for Von's.
- The RDA is working with community groups in North Long Beach to design a Strategic Guide to Redevelopment that will guide future development involving pedestrian-oriented retail,

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streetscape, parking improvements and pocket parks.

- America's Promise Alliance, originally headed by Colin Powell, selected Long Beach as one of the top one hundred best communities in the nation for children and youth.
- The prestigious Meyers Group has recently named Long Beach as the most livable city in Southern California.

Add to those positives that we have the lowest natural gas costs in Southern California and that our innovative Water Department has constructed the nation's largest federally authorized desalination research and development facility, and you begin to understand why so many people are talking about and moving to Long Beach.

Solutions

In previous speeches I have stated that many of the problems facing Long Beach are the same problems being faced by cities throughout the country. I could never say that we don't have our issues, we do and you all know what they are. But I also think we address them directly (however slowly) and in many cases have developed thoughtful, creative ways of solving them.

Budget

We have a structural deficit and two years ago the council adopted a three-year plan to reduce a potential deficit of \$102 million. We have eliminated over \$90 million of it, and we have done it without any of the draconian actions and without eliminating any of the critical services and programs as determined by our citizens.

We have the most transparent budget process in our history, involving more members of the community. We haven't eliminated that deficit as yet, but we will.

Homeless

One of the other major issues we face deals with homelessness. It's not just a Long Beach problem, it's a society problem. A

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new federal mandate requires conducting a homeless survey every two years. We have done that and the City Council has approved developing a ten-year plan to end chronic homelessness in our community. The critical element of the ten-year plan is that it recognizes the difference between managing homelessness and ending it.

These are just two examples of issues that Long Beach is facing with innovative and thoughtful results.

A Sense of Identity

When Joel Kotkin was in Long Beach he spoke positively about our community. He said we had good bone structure and that people have a sense of identity in Long Beach. I applaud both statements because it helps explain in part how we were able to recover from the economic dysfunction that we suffered in the 1990s.

Port

He also stated that our crown jewel is the port, even with the issues of traffic and pollution. He indicated we need to do whatever it takes to ensure the port maintains its status as a regional economic driver—responsible for one in every nine

jobs. The effects of its regional economic impacts since 1994 have been significant and unprecedented.

The number of containers passing through the port has increased 184% and cargo tonnage has increased over 89% since 1994. The two ports bring in 35% of all imported goods into the United States.

But while sustaining its growth efforts, the port has also dramatically increased its attention to environmental issues. Our stewardship of the environment includes a green port policy, which now encompasses all aspects of port operations. Much more needs to be done, but I am pleased the Port is becoming more aggressive in addressing these serious issues.

This past year we saw the introduction of PierPass program that allows trucks to deliver and pick up containers at night and on the weekends.

This effort is a result of collaboration among trade partners and has already exceeded expectations in just five months of operation, however, it will take massive doses of federal and state funding to

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permanently solve the issue of congestion on the 710.

They are preparing for cargo and movement of cargo throughout the State, especially in the Inland Empire, but nothing has been done on the 710 between the ports and the 91 freeway.

International trade and tourism have been the two primary economic drivers as they transitioned from what we had been for most of the 20th century to what we had to become for the 21st.

Tourism

We have one of the most outstanding Convention and Visitors Bureaus in the nation, which on a regular basis is honored by major trade publications for their professionalism and creativity in marketing Long Beach as a meeting site. Steve Goodling and his staff were able to book over 220,000 room nights this year.

These room nights have a total economic impact of well over 200 million dollars feeding our downtown businesses. Meeting space on the West Coast has increased nearly 50% in the past five years. In spite of

the competition, we have increased our room nights by 40% in the same time period.

Our CVB did an outstanding job this year in creating awareness of Long Beach, topped off in October by station KTLA's Morning News Show that did a three-hour live broadcast from the Pike at Rainbow Harbor.

That show included over 75 minutes of direct coverage about Long Beach and the Long Beach Marathon. It was also broadcast to over 50 cable/satellite networks nationwide.

Visitors to Long Beach discover a community that offers so much more than what others offer—an ocean, the Pike at Rainbow Harbor, the Aquarium, the Queen Mary with their new plans for development and attractions, and the second largest automobile race in the nation, which seems to get bigger and better with more events and attractions each year, and the well organized, well attended Gay Pride weekend.

With plans under way for new downtown hotels, in close proximity to the Convention

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Center, large groups coming to Long Beach will be assured that they will be in the center of a dynamic waterfront setting.

Education

Our education system has improved dramatically over the past several years. In 2005 three Long Beach high schools, Wilson, Poly and the California Academy of Science and Math, were recognized by Newsweek magazine as three of America's best high schools ranking them among the top four per cent of all U.S. high schools. In fact, when Sports Illustrated named the scholar-athletes of Poly as number one in the nation, the school appeared on the cover of Newsweek and Sports Illustrated in the same week. A remarkable achievement. The school district and ten separate city departments work together on over 140 collaborative activities, reducing and eliminating duplication and waste, coordinating land use, sharing facilities and coordinating school and city services. This close cooperation between the school district and city officials has contributed to the school district gaining national attention for its scholastic achievements and innovations.

Neighborhoods

One of the major strengths of our city is our neighborhoods. Historic neighborhoods help to define a community and give it texture and identity.

This has been true throughout the history of Long Beach, from its early days of working ranchos and Southern California's first movie studio, to our Navy heritage and today—to the 21st century and our new identity.

Neighborhoods are receiving more attention today than in many years. I've already mentioned the amount of sidewalk and street repair that has been ongoing and these efforts will continue as more funding becomes available through the growth in our revenue sources.

We've been able to increase graffiti and nuisance abatement funding and our general plan update is under way with extensive community input on maintaining core services.

Next month the groundbreaking is scheduled for MacArthur Park library, a new 16,000

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thousand square foot facility that will be replacing a 50-year old 2,000 square foot facility. It will be our first 21st century library and the first green building in Long Beach.

The library's award-winning literacy program—Raising a Reader—sponsored jointly with the Library Foundation, Verizon and more than 20 corporations and foundations has partnered with 50 community and employer organizations to ensure that children enter kindergarten with reading skills.

We have recently completed construction on three mini-parks—Rotary Centennial, Daryle Black Memorial and Burton Chace—and additional phases for Cesar Chavez Community Park and Admiral Kidd Park, and the renovated and new swimming pools at Silverado and Martin Luther King, Jr. Parks.

Successful cities must balance economic growth with ample opportunities to walk, to play, to dream and intermingle with friends and neighbors. It's a vital component in enhancing our neighborhoods and keeping

them strong. Successful cities also provide art and culture and Long Beach is among the leaders in Southern California with its diverse mix of museums, galleries, historic homes, entertainment venues and cultural holidays and celebrations.

Residential

Improving neighborhoods also means making more homes available for our growing number of residents. During the year the Redevelopment Agency acquired property in central and north project areas and issued \$160 million in bonds that will assist in funding parks, neighborhood facilities, streets, sidewalks, housing and commercial projects.

A major focus in the future by Planning and Building and Community Development departments will be to address some of the housing possibilities currently found on our major transportation corridors.

Economic Growth

During the past year the city finalized the Boeing development agreement that will lead to the creation of a 238-acre master planned community—Douglas Park—with 1,400 residential units and up to three

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million square feet for commercial and industrial uses. This project has a market value of \$1 billion.

With Douglas Park and the ongoing Cal State Long Beach development on the Westside, our community must make a commitment to pursue and educate businesses on the many benefits of locating in Long Beach. We need to pursue those firms that will bring well-paying jobs to our community. We must never lose sight of the fact that quality of life in communities—big or small—rural or urban—begins with a job.

Public Safety

The most important city service that we need, of course, is public safety. Over the past 12 years, with the emphasis on community policing, we have been able to reduce overall crime by more than 36%, including nearly six percent this year.

Our Council is currently considering ways to increase dramatically the number of officers; however, fighting crime is not just the job of the Police Department—it's also the job of every citizen and every neighborhood.

Our Class A Fire Department just completed its most diverse recruit academy and has recently upgraded its fleet with ten engines, two ladder trucks, one rescue boat, three airport crash rigs, three mass casualty rigs, a dive support and a command vehicle. Many of those vehicles were purchased with either FAA or Homeland Security funds.

Challenges Ahead

We have our challenges.

Airport

In 1994, our airport had fewer than 500,000 passengers yearly and a ten-year-old airlines lawsuit. Today we have a court judgment of 41 daily commercial flights that bring in three million passengers annually. Our airport is a vital component of service for our citizens and visitors.

After two years of public debate on airport improvements, we now have the technical information we require and we are documenting the potential environmental impacts. We need to bring some resolution to this important City issue.

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Boeing

The other major challenge we currently have involves our largest private employer—Boeing.

Aerospace has been the strength of our workforce growth for years and it is vital that we work with Boeing and our federal officials to ensure that C-17 production extends beyond 2008. To do this we have formed a Red Team that includes local, county, state and federal officials. The C-17 is known as a critical component of our military strength and for its humanitarian applications. The Long Beach plant is the only remaining wide-bodied military aircraft production facility in the country and the only military production line in California.

Port

We need to continue pushing shippers and trucking companies to reduce the use of diesel at the port, so that as we continue taking advantage of Pacific Rim trade, we also stay focused on environmental concerns.

LNG

The decision regarding the LNG facility is, of course, controversial and heated and a

decision will be forthcoming this summer.

Whatever that decision, I can only hope that it is reasoned and thoughtful and made in the interests of Long Beach and its citizens—and not on emotional rhetoric.

Environment

Our community has become more attuned to environmental issues and concerns in the past decade, whether it entails diesel emissions at the port or jet fumes at the airport, and it's imperative that any future growth achieve a balance between economic gains and a healthy environment.

Safety

We need to make our neighborhoods safe for all citizens, to give hope to those who need it the most and to rid our streets and alleys of gang and youth violence. I was very happy that during the year we formed a Youth and Gang Violence Prevention Task Force, involving community members and city staff in developing strategies to combat aggressive youth behavior.

Homeland Security

We also need to ensure that our community, including the port and the airport, are safe and that we are doing all we can in regards to homeland security. The Homeland Security Department has designated us as a high-risk security area, and our City has been allocated to date nearly \$70 million in Homeland Security money. The bulk of this has been for Port security.

But it is vital that federal officials understand that funds need to be allocated on a risk basis, and that we are much more at risk than many of the smaller states that are receiving more funding per capita than we get in California.

A New Landscape

For the many challenges that our community may have we have much more that are heading in the right direction. In a recent article by the Brookings Institution they discussed the steps involved in revitalizing cities. It's uncanny how many of those steps we have already taken.

- Capture a vision
- Develop a strategic plan

- Forge a healthy private/public partnership
- Establish a business improvement district
- Create an urban entertainment district
- Develop a rental housing market
- Focus on For-Sale housing
- Re-create a strong office market

If I didn't know better, I'd say they were using Long Beach as a model for the appropriate way to revitalize a city. Condo developments are being built on Ocean Boulevard that are selling out before they are completed. The sailors would never recognize us now.

But we must increase home ownership throughout our community. There are some monumental barriers to getting it done. You don't have to be reminded what has

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happened to property values in Long Beach in recent years.

As the median Long Beach home price creeps closer to five hundred thousand dollars, it becomes more challenging to put families into home ownership. But there are things that can be done and our Community Development department is doing some of them and developing others.

At the same time we need to appreciate that you don't solve the housing shortage in this nation by constructing large developments of low-income housing.

Public safety officials will tell you you've just traded one set of problems for a more pervasive one. We need to be thoughtful and selective about how and where we develop low-income housing—it's much more effective when it is integrated into other housing developments.

We must work harder to ensure that our youth are prepared for the new demanding workplace. This may involve more internships, more work experiences and more exposure to potential careers while they are still in high school. Every city is moving towards becoming a high tech city.

We must, with the help of the private sector and our workforce development professionals do our part to fill the skills gap that exists in our country. The greatest staffing challenge is the shortage of skilled applicants.

As previously noted, very few cities have the bone structure, the strategic location, the climate, the ideal size and the sense of community to become one of the America's most magnificent cities.

It can happen and it can happen here with the incredible contribution by our non-profits, our service organizations, and with the vigor of our private-public partnerships that is so vital to the revitalization of any community.

Long Beach citizens volunteer by the thousands to support the city, schools, arts and the museums. They volunteer to clean neighborhoods and beaches. They sweep alleys, plant trees and join neighborhood watches. And thousands of them volunteer to the city to make our community what it is.

As We Look to the Future

Long Beach has that rare opportunity to rise to a level that few communities can ever attain.

- I see a waterfront bustling with people, enjoying one of the most diverse mix of restaurants and entertainment venues available in California.
- I see a vibrant Pine Avenue and a developed Promenade.
- I see strengthened neighborhoods.
- I see more open space, more pocket parks and more libraries, more youth activities and a completed sports park that is the envy of every Southern California community.
- I envision Boeing's Douglas Park as an energetic development, balancing residential with thousands of new jobs.
- I see more urban housing along our transit corridors, providing more Long Beach residents homes and the opportunity for easy accessibility to jobs.
- I see a port sustaining its place as one of the world's busiest and most efficient with increased concern and consciousness towards the environment.
- I see traffic flowing freely out of our community.
- I see a growing East Village with additional live/work units.
- I see increased cultural and art activities with the private sector more engaged.
- I see continued summer band concerts, more overall community involvement in civic events.
- I see a Long Beach with less crowded classrooms and increased opportunity for academic success.
- I see a thriving and healthy business environment.
- I see a higher percentage of high school graduates with

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more of them finding jobs in Long Beach.

- I see a closer link between neighborhoods and City Hall.
- I see the continuation of a transparent government.
- I see a quality of life that empowers people to become more involved in their city with pride.
- I see healthy children and youth engaged in creative and productive activities.
- I see our diversity being embraced and celebrated.
- I see increased tolerance—expecting and accepting diversity in everything—race, religion, lifestyle, age and appearance.
- I see a city that cares—a city with heart.

That's my vision of Long Beach. It can happen—it's up to all of us; together we can make it happen.

It has been an honor to be your mayor for eleven and-a-half years. We have lived on

hope and in the words of Napoleon, "A leader is a dealer in hope."

We live in a special place and we are blessed because of it. We need to protect it and allow it to become all it can be. You have all had a hand in re-shaping Long Beach—a strong and caring hand. Don't stop now. Become engaged, don't just ride in the wagon, drive it. Twenty years from now you'll be more disappointed by the things you didn't do, than by the ones you did do.

And most of all, remember that people come into our lives and quickly go. Others stay for a while and leave footprints on our hearts, and we are never, ever the same. You have all left your footprints on my heart and I will never forget you. In the enduring words of lovers, as I have said before: it's morning again, Long Beach, and I still love you.

Thank you and God Bless You.


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